

INTELLOFAX 18

FEB 1952 01-4AA

REFERENCE COPY
DO NOT CIRCULATE

CENTRAL INTELLIGENCE AGENCY

CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS ONLY
SECURITY INFORMATION

50X1

INFORMATION REPORT

REPORT

CD NO.

COUNTRY Rumania

DATE DISTR. 3 December 1952

SUBJECT Communal Gas Company in Bucharest

NO. OF PAGES 2

DATE OF INFO.

NO. OF ENCLS.
(LISTED BELOW)

PLACE ACQUIRED

SUPPLEMENT TO
REPORT NO.

50X1-HUM

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

50X1-HUM

1. The Communal Gas Company is a part of the former Bucharest Gas and Electricity Company. The latter company had been a Franco-Belgian firm, but it was nationalized in 1948. At this time an independent electric corporation was set up and attached to the Ministry of Electricity, and the gas company was amalgamated with the Sonometan Natural Gas Company. In 1950 Sonometan was divided; Sovromgas received most of the sources and wells (along with the carbon black and ceramics factories), and the Communal Gas Company undertook the distribution of gas in Bucharest. Both companies belonged to the Ministry of Mines and Petroleum. The Communal Gas Company was, in fact, the sales organization of Sovromgas and was later attached to the Ministry of the Interior. Sovromgas had the gas conducted through its own pipes to a center in the town, from which the Communal Gas Company distributed it to the customers and collected the money. Up to 1950 the gas distribution company paid the Ministry of Mines and Petroleum for the gas, but later paid Sovromgas instead.
2. The old gas company was located in Bucharest, Blvd. Dacia 34. Until 1947 the gas company produced gas from Turkish anthracite and brown coal from Petrosani. After the company's nationalization and amalgamation with Sonometan in 1948, the old factory was dismantled and the company delivered only natural gas.
3. There was a 20-year old underground network of gas pipes but it was greatly damaged. A new complete ring of gas pipe around the industrial center of the city had been built by the Germans under Antonescu in 1942-43 and served such industries as the Bucharest Refinery (Baneasa), the workshops of the Bucharest Tramway, and mills in Soseaua Stefan cel Mare. The pipe line began at Soseaua Stefan cel Mare, ran along the Boulevards Grozavesti and General Magheru, past the old gas factory in Blvd. Marasesti, and back to Soseaua Stefan cel Mare. In 1948, new pipes were laid across the center of the ring and served such industries as the 23 August (formerly Malaxa) factory,

CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS ONLY

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB		DISTRIBUTION							
ARMY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	FBI		ORR/Br	<input checked="" type="checkbox"/>						

SECRET/CONTROL - U.S. OFFICIALS ONLY

50X1

- 2 -

Republica Metallurgical factory and the Filaret Power Station. Natural gas was conducted through the old pipes under only 50 mm. pressure, but through the new ones under a pressure of 500 mm. In 1950 some of the old pipes were replaced with a line serving small factories and private houses, and the remaining old pipes went out of use, leaving 1,500 out of 3,000 customers without gas.

4. Natural gas is brought to Bucharest by Sovromgas from Transylvania, where there are large gasometers at Sarmasu. The new Agnita-Botoarca gas pipe line, built specially for Bucharest, began operations in 1950. The old methane gas pipe line from the oil fields came from the Prahova district and was laid to Bucharest via Floesti.
5. Between 15 and 20 percent of the whole production of natural gas is used for domestic heating and the rest for industry. Gas is not used for lighting. Source believes that the maximum consumption of natural gas in Bucharest in 1951 was 900,000 cubic meters per 24 hours in winter. In 1951 all owners and administrators of buildings were ordered to install gas in order to save fuel oil. By the end of the year 95% of all owners had complied.
6. The Communal Gas Company employs approximately 300 people, 50 of whom are paid according to government official scales. Unskilled workers earn from 3,000 to 6,000 lei monthly while skilled mechanics can earn up to 25,000 lei by working on a type of Stakhanovite system, which requires almost super-human effort. These wages were in effect prior to the monetary reform.
7. The annual budget of the Communal Gas Company is composed of two types of expenses: Investments and current expenses. The investment budget is worked out according to the plan fixed by the Planning Commission and the necessary funds are provided by the State Bank for Investments. The budget for current expenses is determined by income from customers and the quantity of gas delivered. According to the latest regulations only 30,000 lei could be kept by the cashier at any one time. All accounts have to be completed by 12:30 p.m. and cash taken to the State Bank by 3 p.m. Salaries and funds for other payments are made with the aid of bank drafts. In 1950 the turnover of the company was more than 1,200 million lei.
8. The following personalities are known:
 - a. Longhin Popescu, General Manager. [redacted] 50X1-HUM
[redacted] formerly an employee of the gas and 50X1-HUM
electricity company. He is a Party member and was popular until he 50X1-HUM
became director.
 - b. Grigorie Dumitrescu, Chief Accountant. [redacted]
[redacted] He is the real manager of the enterprise and receives a salary
of 40,000 lei. He is a Party member and has a vicious personality. 50X1-HUM

SECRET/CONTROL - U.S. OFFICIALS ONLY